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C O N F I D E N T I A L SECTION 01 OF 02 NAIROBI 003289

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TAGS: KHIV KCOR PREL PGOV EAID KE SUBJECT: NGILU: NARC DISAPPOINTING; MY MINISTRY CORRUPT AND

AGAINST ME

REF: A. 04 NAIROBI 5096

¶B. 04 NAIROBI 5184 ¶C. NAIROBI 1828 ¶D. NAIROBI 2878 ¶E. NAIROBI 3170

Classified By: Emboff Tad Brown for reasons 1.4 b and d.

- $\P1$. SUMMARY. Health Minister Charity Ngilu confided to the Ambassador August 10 that she has lost faith in the Kibaki government's commitment to fighting high-level corruption. She pointed to the resurgence of unsavory figures like Nicolas Biwott as evidence that NARC, once in power, had abandoned its pre-election principals in favor of Moi-era backroom politics. Ngilu saluted USG contributions to strengthening Parliament and to revealing tender irregularities in the Ministry of Health (MOH). Lamenting that ${\tt MOH}$ staff are unresponsive to her leadership and often work to undermine her, Ngilu bluntly stated: "The Ministry of Health is corrupt." We share her assessment and increasingly view her as a potential ally in our efforts to protect USG investments in Kenya, especially in the health sector. END SUMMARY.
- Ambassador Bellamy, accompanied by Mission Inter-Agency Coordinator Buck Buckingham and Tad Brown (notetaker), received Kenyan Minister for Health Charity Ngilu at the Ambassador's residence on August 10. Ngilu had specifically asked to meet outside of her office because she could not speak freely in front of her own staff.

Mamma NARC's Disappointment

- Ngilu's political banter reflected her position as a popular and powerful Cabinet Minister and founding member of the 2002 winning NARC coalition, who is nonetheless an outsider to Kenya's most powerful (and largely male) political cabals: Kibaki's inner circle, Odinga's LDP, and the opposition KANU. Marginalized even in her tribal base (presidential aspirant Stephen Musyoka enjoys the strongest Kamba support), Ngilu is a relatively independent actor in Kenya politics, who has nonetheless occasionally courted Kibaki's patronage for political cover.
- Ngilu openly expressed her disappointment with NARC, specifically the rapidity with which pre-election principals and promises dissipated once NARC took power, only to be replaced with much the same mentality that characterized Moi's rule. As an example, she pointed to Kiraitu Murungi who, in his new role as Minister for Justice and Constitutional Affairs, had told Ngilu he would do anything, even sidle up to Biwott and other unsavory KANU leaders, to keep NARC in power. Ngilu expressed disgust that NARC leaders had funded Biwott's campaign to wrest control of KANU from Uhuru Kenyatta, thereby neutralizing any opposition to NARC (ref b).
- 15. Blaming the US and other developed nations for historically not opposing corruption in African regimes, Ngilu applauded the decision to bar entry to Biwott and Murungaru from entering the US and UK respectively (refs a and e). Ngilu dismissed the sincerity of the GOK's anti-corruption posture. She echoed Musyoka's assessment (ref d) that the Kenya Anti-Corruption Commission (KACC) led by Justice Ringera was a political tool, tightly circumscribed from uncovering corruption tied to Kibaki or his associates. Ngilu ridiculed the GOK's wealth declaration policy as a "farce," meaningless so long as the declarations are not made public.

Parliament- An Emerging Force?

Ngilu was still beaming about Parliament's decision earlier that day to refuse the budget of Roads Minister Raila Odinga because the funds were disproportionately allocated to districts in and around Kibaki's constituency. Referring to USG support, through USAID, for "Parliamentary strengthening" programs, Ngilu observed, "your investment has borne fruit." Ngilu averred that Parliament would increase its autonomy and authority, pointing as an example to the health committee, which promised to audit more actively GOK-funded AIDS programs. Asked whether the National AIDS Control Council (NACC) had been cleaned up since the release of a damning

report on corruption (ref c), Ngilu sneered that NACC is still open to abuse, run by bad people, and overstepping its proper role as a coordinating body.

It's a Big Ministry

17. Ngilu openly revealed her deep suspicions about MOH personnel and her senior staff and frankly admitted that she is largely ignorant of much of the Ministry's operations, including significant financial decisions. As conversation turned to health matters, we found ourselves briefing Ngilu on happenings within her own Ministry. She seemed, for example, unaware that Dr. Tom Mboya (the object of our greatest concern as the head of the Administrative Support Unit for the Global Fund in Kenya) was directly interfering in grants worth hundreds of millions of dollars, frustrating the efforts of the coordinating committees rather than acting as a secretariat. Ngilu made clear that Health Permanent Secretary Patrick Khaemba (put in his position at the behest

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of Minister for Local Government Musikari Kombo) ignores her when he is not actively working to undermine or embarrass her as part of a campaign by unnamed Cabinet members who would like Ngilu removed.

- 18. Ngilu bluntly stated, "The Ministry of Health is corrupt." She explained that much of her staff, including senior officers, is disloyal and unresponsive. Ngilu was openly grateful for a private management consultant to the Kenya Medical Supplies Agency (KEMSA) who was funded by USAID and has been her only source of information about questionable procurements. Ngilu complained that her efforts to track down more than KSh. 500 million (about \$6.6 million) for which she cannot account have met with a wall of silence from her staff. One contract, for mental illness medication, had been inexplicably inflated to purchase more than 10 times the country's needs at a loss of more than \$2 million.
- 19. Ngilu asked how we might help her address MOH shortfalls in staffing and transportation. Thankful that Kenya, unlike other African countries, has an abundance of trained but unemployed nurses, Ngilu said that the MOH had been authorized to hire 1,000 new nurses and that the Clinton Foundation and GFATM would fund an additional 120 and 500 respectively. We offered to use the Capacity project help assess and address, through contract workers, Kenya's health personnel shortfalls. On vehicles, the Ambassador explained that we could not accede to the secretive and arbitrary manner with which Mboya had repeatedly foisted vehicle purchases into Global Fund programs. We promised to work with other donors (JICA, DIFD) to carry out and meet the recommendations of an independent rapid needs assessment.

Comment:

- 111. This meeting confirmed our evolving view that Ngilu is struggling to manage the MOH. She is smart, dedicated, and a popular politician. She has managed to succeed, first in business, then in Kenya's murderous political arena, in an environment that is hostile to authoritative, freethinking women. But she has minimal formal education and no experience heading up a large bureaucracy, especially one beset with entrenched corruption and the lackeys of her political enemies. Even if her own staff wasn't working against her, Ngilu does not have the support (a chief of staff, a deputies meeting, chains of information, etc) that we take for granted.
- 112. We will increase our efforts to share with Ngilu information regarding the health sector and possibly political matters as well. She may be our best ally in trying to protect USG investments in Kenya's health sector, and she seems to believe we are one of the few players she can trust.

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